

ARTICLE APPEARED
ON PAGE **A19**

WASHINGTON POST
20 June 1986

Rowland Evans and Robert Novak

What Is Moscow Building in Nicaragua?

The State Department has received a report of Soviet engineers in Nicaragua preparing to build a second Central American canal, and is using the report to buttress President Reagan's plea that the House next week finally vote for contra aid.

The report is contained in a telegram, classified "confidential," sent June 13 by Ambassador Lewis Tambs in Costa Rica. It cited a French engineer's report to a high Costa Rican official that there are "large numbers of Russian engineers" at work on a "canal project" in Nicaragua.

While saying nothing publicly, high administration officials accept "large numbers" of engineers as a factual estimate. They suggest, however, that the "canal" work is being used by the Sandinistas as a cover for major engineering projects for military and intelligence purposes. That not only would increase Nicaragua's military prowess in the region but give the Soviet Union badly wanted intelligence reporting and collection resources.

Although the Tambs cable was made available to us by non-administration sources, there is no doubt that Reagan strategists hope it will help convert reluctant House members to vote for the anticommunist guerrillas.

Legislative propaganda aside, however, the story of the Nicaraguan canal—be it real or chimerical—fits the expanding picture of the Kremlin's presence on the American mainland.

The Tambs telegram reported that he received his information from Jorge Monge, Costa Rica's vice minister of natural resources. Monge reported an encounter on June 10 in Managua with a French technician working on a project there for the Organization of American States.

"The Frenchman told Monge," the telegram continued, "that there were large numbers of Russian engineers in Nicaragua, who had told him they were working on the canal project. This came as an unpleasant surprise to Monge, because the construction of a canal on the San Juan River could

not be done without Costa Rica's consent."

A Nicaraguan canal would cross the isthmus some 250 miles north of the Panama Canal, using the San Juan River and Lake Nicaragua for much of the distance between the two oceans. The south bank of the river is Costa Rican, and the canal project would flood Costa Rican land. "Obviously," Tambs reported, "Costa Rica has no desire to be confronted with a fait accompli by the Nicaraguans."

Of more concern to Washington are Soviet-Sandinista intentions. The administration suspects the Soviet engineers in Nicaragua may be building not a canal but secret intelligence, communication and transportation facilities, as well as military fortifications to protect continued communist control.

Skepticism about the canal story is fueled by Carter administration studies during the long struggle over the Panama Canal Treaty and before the Sandinista Marxists gained power in Nicaragua and made their political

alliance with Moscow. The studies showed that the cost of the Nicaraguan route for an alternative canal would be in multibillions of dollars. The conclusion: Resources needed for the job might require an international consortium, with the United States and Japan picking up the tab and providing technology and equipment.

"None of this rules out a Soviet-built canal," one administration official told us, "but it demonstrates the scale of investment that Moscow would have to make for an admittedly high-stakes gamble."

The gamble would consist of an attempt at a more dramatic Soviet presence and influence in a region ripening for political explosion from Mexico to Panama.

Moscow's tendency to move in unexpected directions means the ambassador's report from Costa Rica cannot be ruled out. It would mean that the transformation of Nicaragua into as open a Soviet ally as Cuba is well under way.

©1986, News America Syndicate